

GOVERNMENT COLLEGE OF COMMERCE AND ECONOMICS, BORDA, MARGAO, GOA

**B.com (Semester VI) End Examination, August – 2020**

**DSE – 7 Accounting – II**

**Time:** 2 Hours

**Total Marks:** 30

**Instructions:** 1) *Figures to the right indicate maximum marks.*

2) *Working notes should form part of the answer.*

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**Q.No.1. Answer any five of the following.**

**(2x5=10 Marks)**

1. Explain hybrid system of accounting?
2. Explain any two books maintained by the professionals.
3. Explain any two types of investments.
4. What is meant by cum-interest and ex-interest quotations?
5. Write short note on Debenture Redemption Reserve (DRR)
6. Write a short note on purchase of own debentures in open market.
7. Write a short note on preferential creditors.
8. Explain any two points of difference between winding up and dissolution in liquidation.

**Q.No.2. Answer any four of the following.**

**(5x4=20 Marks)**

1. Finance company Ltd issued Rs.2,00,000, 10% debentures of Rs.100 each at 99 on 1<sup>st</sup> July 2017. Provision has been made for a sinking fund to be established with an annual contribution of Rs.4,000/- to be made on 30<sup>th</sup> June beginning in 2018. This amount together with the income from investment received in the preceding year is to be invested annually on 1<sup>st</sup> July. The income received from sinking fund investments for the year ended 30<sup>st</sup> June 2019 and 2020 was Rs.210/- and Rs.380/- respectively. You are required to prepare Sinking Fund account for the year to 30<sup>th</sup> June 2020.
2. Bharat Ltd issued 2,000, 12% Debentures of Rs.100 each at 5% premium and redeemable at 10% premium were converted into equity shares of Rs.10 each issued at par. Pass necessary Journal entries of Bharat Ltd.
3. The Bright Ltd. went into liquidation on 31<sup>st</sup> march 2020. Its assets realized Rs.3,50,000/- excluding amount realized by sale of securities held by the secured creditors. The following was the position:  
Share Capital:  
1,000 shares of Rs.100 each Rs.1,00,000/-

Secured Creditors (securities realized Rs.40,000/-) Rs.35,000/-

Preferential Creditors Rs.6,000/-

Unsecured Creditors Rs.1,40,000/-

Debentures having floating charge on all the assets of the company Rs.2,50,000/-

Liquidation expenses Rs.5,000/- and liquidators remuneration Rs.7,500/-

Prepare the Liquidators Statement of Account.

4. Dr. Yash a Medical Practitioner commenced practiced on 1<sup>st</sup> January 2019. His Receipt and Payment Account for the year ended 31<sup>st</sup> December 2019 was as follows:

Particulars	Amt. (Rs.)	Particulars	Amt. (Rs.)
To cash balance	40,000	By furniture	12,500
To visits	1,20,000	By salaries to Nurse	6,000
To Sundry receipts	5,000	By Medicine	5,000
		By rent	3,600
		By stationary	600
		By Books	5,500
		By Drawings	35,000
		<b>By Balance:</b>	
		At bank	90,000
		In hand	6,800
	<b><u>165,000</u></b>		<b><u>1,65,000</u></b>

Depreciate furniture @5% and books @ 10%.outstanding salaries at the end of the year amounted to Rs.1200/-.You are required to prepare Receipt and Payment Account for year ended 31<sup>st</sup> December 2019.

5. Mr.Kuldeep purchased 1000 equity shares of Rs.100 each in LG Ltd for Rs.1,30,000/- inclusive of brokerage and stamp duty. The company decided to issue one equity share as bonus share for every share held. Before bonus issue the shares of LG Ltd were quoted at Rs.190 per share. After bonus issue, the shares were quoted at Rs.96 per share. Mr. Kuldeep sold the bonus shares and received Rs.96 per share.
- Show investment account in the books of Mr. Kuldeep.
6. Write short notes on.
- Treatment of bonus shares
  - Redemption out of profit